EXHIBIT 120 TO HARVEY DECLARATION REDACTED VERSION

Produced in Native

Proposal of New Google Compensation Philosophy

Summary for Google's Board of Directors 13-Oct-2010

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Broad Employee Base Summary



percentile for base salary and target total cash. We successfully attracted and retained this talent at a "discount" Google has historically hired top-of-market talent, but we have targeted the market based on our brand premium and strong growth.

Googlers value salary more than any other component of pay, substantially undervalue equity relative to the cost to the company, and materially undervalue bonus²

increase in average total compensation: We propose a material increase in salaries, resulting in a

	Avg. Base Salary	Avg. Actual Total Cash	Total Comp Spend
Proposed Increase			

This has the effect of shifting philosophy of paying cash compensation at the top of the market3:

	Base Salary %ile	Target Total Cash %ile	Target Equity %ile
Current			
Proposed			

Competitive advantages of top-of-market base pay philosophy:

- Employees adjust lifestyles (and fixed costs) according to base pay⁴
- Most companies (especially startups) lack the margins to support aggressive base pay levels

^{1.} Salary competitiveness based on 2009 Googlegeist

of base pay bonus valued at 2. Relative comp. element value based on 2008 conjoint study: equity valued at

increase is required to achieve our target %ile. An additional 3. Shifting the company multiplier to salary achieves the



Proposal

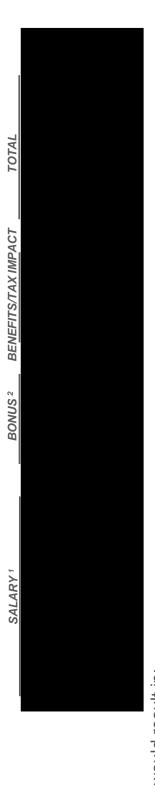
- percentile) Target top-of-market pay levels for salary and total cash (previously at the
- Employees would forfeit company multiplier to partially fund increases

Rationale

target total cash. Increasing cash compensation levels will support our goal of attracting and retaining the world's percentile for base salary and Google hires top-of-market talent, but historically we have targeted the market best talent

Program Mechanics

- in-line with 2009 / Shift the upside of the company multiplier / sales uplift to salary (assuming 2010 performance)
- upside of into salary, employees forfeit In addition to moving
- Starting with the 2011 bonus year, we would calculate bonuses using only target percentage and individual multiplier (adjusting the payout curve to ensure differentiation of high vs. low performers).
- base pay increase for all employees In parallel, implement a flat



This would result in:



1. Continue standard annual merit increase process using pre-adjustment salaries and budget (no incremental cost above original plan)

+ increasing slope of the individual multiplier curve Bonus savings = removing CM assuming performance
 Note actual cash (assuming a CM of would increase by on average)

Detail: Proposed changes to equity compensation **Broad Employee Base**

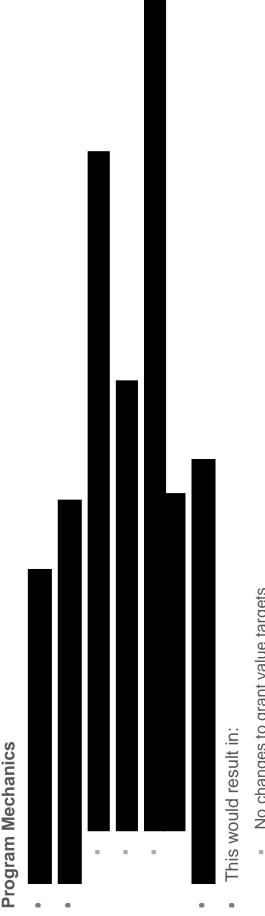






Rationale

Googlers currently discount the value of equity due to the infrequency of vesting and lack of understanding of stock options



- No changes to grant value targets
- equity budget) (allowing for future headcount growth within Reduction in dilution from annual refresh by
- Discontinuation of performance vesting for new hire grants

DOES THIS NEED TO BE REVIEWED BY THE FULL BOARD?

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Appendix: Examples of Impact on Salary and Bonus



The following examples illustrate the impact of our proposal for 2010 vs. 2011 cashflows of US-based software engineering and direct ad sales populations:

			(values	(values in \$000s)
	Current Target with CM=1.0	Current Target with CM=2.0	Post-Adjustment Target (No CM) ¹	N TCC ∆
	Bonus Bonus	Bonus Bonus	% Bonus Bonus	from Curr.
Title	Base % \$ TCC	TCC Base % \$ TCC		TCC CM=2.0
Software Engineer Ladder, US				
Direct Ad Sales Ladder, US				-

Note: CM = Company Multiplier